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DEPARTMENT FOR PM/DTCC - BLUE LANTERN COORDINATOR AND
EEB/CBA

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [ECON](#) [KOMC](#) [AE](#)

SUBJECT: BLUE LANTERN 05-050019429, 05-1011934, 05-050035641

REF: A. STATE 150178

[1](#)B. ABU DHABI 1690

[1](#)1. On November 20, Econchief met with Dr. Mohammed Al-Nazer, Managing Director of Bin Mahmoud Representing Companies at his office in Golden Tower in Abu Dhabi. The company is part of the Bin Mahmoud group founded by Ibrahim Al-Mahmoud, a UAE national and retired Ministry of Interior (Abu Dhabi Police) Brigadier General. Al-Nazer has been with the company since its founding in 1988. He followed Al-Mahmoud from the Ministry of Interior as a founding member of the company. The UAE military and the UAE Ministry of Interior are Bin Mahmoud's major customers.

[1](#)2. Al-Nazer confirmed that all three shipments, noted ref a, were forwarded to the UAE and gave Econchief copies of delivery notes signed and stamped by the UAE armed forces. He stated that the company had committed to providing the UAE with the part in the first license (05-050019429) by February 7, 2007 but was not able to make delivery until April 24, due to delays in shipments from the U.S. supplier. Bin Mahmoud paid a 10 percent penalty for late delivery. License number 2 was delivered on March 7, 2007, and license number 3 was delivered on time on August 7, 2007.

[1](#)3. Al-Nazer explained that the company rarely stored items although it did have a warehouse facility. It received goods from the shipper, inspected them, and delivered them to the UAE military within a couple of days. He showed Econchief the room where the company inspected the smaller goods. Al-Nazer also stated that the company fully understood U.S. restrictions on the unauthorized re-export of USML items.

[1](#)4. He then segued into a discussion about the problems his company was having with some U.S. companies that supplied defective goods and refused to accept them back. He explained that he had a case of 370 electron tubes for a radar from the U.S. firm Richardson (NFI). Richardson's agent in Dubai had instructed him to order directly from the U.S. firm. When the tubes proved defective, Richardson allegedly refused to replace them. Bin Mahmoud sued the UAE-based agent, but lost the case because the contract was directly with the U.S. company. He showed Econchief the tubes and asked, rhetorically, "what will I do with them?" as he cannot resell them outside the UAE.

[1](#)4. Al-Nazer also brought Econchief's attention to problems the company was having with another U.S. company "SOI Aviation." Bin Mahmoud had ordered items from SOI Aviation worth over USD 100,000. According to Al-Nazer, the part number marked on the box were different than the part numbers actually provided. There was a document discrepancy and the UAE military rejected the items. Al-Nazer showed Econchief copies of his correspondence with SOI trying to resolve the matter and vowed never to do business with the company again. He asked whether there was anything the USG could do "to

defend the reputation" of U.S. companies from this sort of behavior. (Note: This is the second time that a UAE-based company has raised SOI with Econchief (ref b). End Note.)

15. Post recommends that this be viewed as a favorable end use check
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